

## Message Text

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PAGE 01 STATE 034747

16

ORIGIN AF-06

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-01

CEA-01 /077 R

DRAFTED BY AF/C:RRSTRAND:GJB

APPROVED BY AF/C:WLCUTLER

AF/EPS: MR. DUNCAN (INFO)

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R 142129Z FE 75

FM SECSTATE WASHDC

TO AMEMBASSY KINSHASA

INFO AMEMBASSY BRUSSELS

AMEMBASSY LONDON

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E.O. 11652: N/A

TAGS:

SUBJECT: ZAIRE'S FINANCIAL SITUATION: CENTRAL BANK  
FOREIGN EXCHANGE ALLOCATION PROGRAM

REFS: A) BRUSSELS 1204; B) KINSHASA 1228

1. FOR RESPONDING TO INQUIRIES FROM BANKS, IT WOULD BE  
USEFUL HAVE TEXT OR MORE DETAILED SUMMARY OF JANUARY 29  
BOZ INSTRUCTIONS. AT PRESENT WE ARE DRAWING ON  
SUMMARIES REFTEL AND FOLLOWING REPORT RECEIVED THROUGH  
TEMPELSMAN: "CERTAIN FOODS, PHARMACEUTICALS AND  
'BIEN D'APPROVISIONNEMENT' CAN BE FREELY IMPORTED WITHOUT  
LIMITATIONS PROVIDING 90-DAY DELAY IN PAYMENT OR 3 PERCENT  
REDUCTION IN PRICE CAN BE OBTAINED FOR BALANCE (BALANCE OF  
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PAGE 02 STATE 034747

WHAT?). EXPATRIATE TRANSFERS CANNOT EXCEED 1974 BASE LEVELS. IMPORTS AGAINST SIGHT LETTER OF CREDIT LIMITED TO 10 PERCENT OF ANNUAL LEVEL OF 1974 EXCEPT FOR SPECIFIC LIST OF FOODS, PHARMACEUTICALS, ETC. ON BALANCE OF ALL OTHER IMPORTS NATIONAL BANK'S APPROVAL REQUIRED AND IMPORTERS OR BANKS EXPECTED TO NEGOTIATE A MINIMUM OF 180 DAYS IN PAYMENT WITHOUT PAYING INTEREST OR OBTAIN A 6 PERCENT REDUCTION IN BASE PRICE OF PRODUCT. THERE IS ALSO PROVISION FOR LIMITING TRANSFER OF RENTALS, PROFITS AND DIVIDENDS. HOWEVER, YEAR END PROFITS CAN BE PAID ON TWELVE

MONTHLY INSTALLMENT BASIS. IMPORTANT POINT IS THAT COMPANIES COVERED BY INVESTMENT CODE OR BILATERAL AGREEMENTS ARE NOT LIMITED BY THIS STRICTURE."

2. WOULD ALSO BE INTERESTED IN REACTION OF LOCAL BANKS TO ALLOCATION PROGRAM, INCLUDING THEIR VIEW OF LIKELY IMPACT OF PRICE-REDUCTION AND PAYMENT-DEFERRAL REQUIREMENTS. WOULD THEY NOT EXPECT PAYMENT STRETCH-OUT TO MAKE GOODS OBTAINABLE ONLY AT PRICES RAISED TO INCORPORATE RISK PREMIUM PLUS INTEREST? INGERSOLL

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CENTRAL BANK, CREDIT CONTROLS, ECONOMIC CONDITIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 14 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
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**Subject:** ZAIRE'S FINANCIAL SITUATION: CENTRAL BANK FOREIGN EXCHANGE ALLOCATION PROGRAM  
**TAGS:** EFIN, EGEN, EINV, CG  
**To:** KINSHASA INFO BRUSSELS  
LONDON  
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